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RUEHAM/AMEMBASSY AMMAN PRIORITY 1743  
RUEHAK/AMEMBASSY ANKARA PRIORITY 2631  
RUEHLB/AMEMBASSY BEIRUT PRIORITY 1806  
RUEHEG/AMEMBASSY CAIRO PRIORITY 9606  
RUEHDM/AMEMBASSY DAMASCUS PRIORITY 2540  
RUEHLO/AMEMBASSY LONDON PRIORITY 9459  
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RUEHRH/AMEMBASSY RIYADH PRIORITY 8825  
RUEHTU/AMEMBASSY TUNIS PRIORITY 3042  
RUCNDT/USMISSION USUN NEW YORK PRIORITY 4961  
RUEHJM/AMCONSUL JERUSALEM PRIORITY 6242  
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RHMFISS/COMSOCEUR VAIHINGEN GE PRIORITY  
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STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM  
NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA  
HQ USAF FOR XXXX  
DA WASHDC FOR SASA  
JOINT STAFF WASHDC FOR PA  
CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR  
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD  
COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD  
LONDON ALSO FOR HKANONA AND POL  
PARIS ALSO FOR POL  
ROME FOR MFO

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E.O. 12958: N/A  
TAGS: [OPRC](#) [KMDR](#) [IS](#)  
SUBJECT: ISRAEL MEDIA REACTION

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SUBJECTS COVERED IN THIS REPORT:  
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[1](#)1. PM Olmert's Performance

[1](#)2. Mideast

[1](#)3. US-Israel Relations

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Key stories in the media:  
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Israel Radio and the leading Internet news site Ynet quoted US Secretary of State Condoleezza Rice as saying Thursday before the

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AIPAC policy conference in Washington that the Saudi peace initiative was not to be taken as is but may be a starting point that could lead to a compromise once the Israeli viewpoint was taken into account. In support of FM Tzipi Livni's stance on the matter, Rice said that Israel should not respond to the Arab league's offer at this point in time, since she said the Israelis had their own ideas for achieving peace, which should also be considered. Rice was quoted as saying that the initiative was a very important step and showed that it was clear that the Israeli-Arab conflict must come to an end. Livni was quoted as saying that she viewed some of the plan's clauses very positively, but pointed out that the plan's treatment of the Palestinian refugee problem contradicted the two-state solution. Ynet reported that Rice and Livni met at the State Department in order to exchange ideas before Secretary Rice's upcoming visit to the region for another round of talks next week.

Ha'aretz quoted Egyptian FM Ahmed Ali Abu al-Gheit as saying on Wednesday that the Saudi peace initiative would not be subject to changes before the Riyadh Summit scheduled for the end of March. He added that the Egyptians expected Israel to accept the initiative and thereby promote the peace process. Ha'aretz quoted a senior Israeli diplomatic source as saying on Wednesday that the Arab leaders felt they could not disregard UN Resolution 194, calling for the return of all Palestinian refugees to their homes. Therefore, the source estimated the Arab nations would resist making changes requested by Israel to the initiative's refugee clause. The source explained that if the Arab nations were to change the initiative, they would alienate the Palestinian leadership and serve Iran's claims that it better represents the interests of the Palestinians than the leaders of the Arab League. Ha'aretz quoted Dr. Mati Steinberg, former advisor on Palestinian affairs to the head of the Shin Bet, as saying that Israel, which he said erred in rejecting the 2003 Saudi peace initiative, should endorse the decisions of the Arab League summit at the end of this month.

The Jerusalem Post and Israel Radio quoted a Fatah leader as saying that PA Chairman [President] Mahmoud Abbas will set the political guidelines of the emerging Palestinian unity government. The leader was quoted as saying: "The President will make it clear that the new government must respect all the agreements that were signed with Israel and abide by all Arab and international resolutions concerning the Palestinian issue." The Fatah leader pointed out that Abbas will not call on the unity government to explicitly recognize Israel or renounce terrorism as demanded by the Quartet. Israel Radio reported that the new Palestinian government is expected to work out a deal with Israel for the release of kidnapped IDF Cpl. Gilad Shalit. Yediot noted that Abbas did not abide by his promise to Olmert that Shalit would be freed before the formation of a Palestinian unity government. Yediot quoted Dr. Ahmed Yousef, diplomatic advisor to Palestinian PM Ismail Haniyeh, as saying in an interview published on Wednesday in the London-based Ash-Sharq Al-Awsat that Hamas will soon effect ideological changes and that it is willing to institute a 10-year hudna (truce) with Israel. Yediot reported on controversy in Israel around the sincerity of Yousef's remarks.

The Jerusalem Post reported that Israeli officials expressed disappointment on Wednesday that EU foreign policy chief Javier Solana backed a full Israeli withdrawal from the Golan Heights following talks in Damascus with Syrian leaders, rather than publicly calling Syria to task for supporting terrorism. Although the EU has demonstrated a similar viewpoint for years, The Jerusalem Post quoted an Israeli official as saying that "this is not the message that Syria needs to hear at this time."

Ha'aretz quoted Israeli government sources as saying that the US government failed to give Israel all the drafts of UN Security Council Resolution 1701 ending last summer's Lebanon war in real time, so Israel had to obtain some of the documents from other sources. However, Ha'aretz's sources were quoted as saying that senior GOI officials ultimately did get all the drafts in time, and there were no delays or information gaps that impeded decision-making during the war. Ha'aretz reported that on Wednesday

FM Tzipi Livni and Defense Minister Amir Peretz met in New York with UN Secretary-General Ban Ki-moon for talks that focused on the ongoing weapons smuggling into southern Lebanon and the fate of the two abducted soldiers.

The Jerusalem Post quoted a source close to the Winograd Commission probing last summer's war in Lebanon as saying that the final report of the Winograd Commission probing last summer's war in Lebanon, which is expected in the late summer, will include full "personal recommendations" concerning PM Ehud Olmert, Peretz, as well as senior ministers and IDF officers on their conduct during the war. Like other media, The Jerusalem Post said that the "partial" report to be published next month will contain a full judgment on the actions of Olmert, Peretz, and former IDF Chief of Staff Dan Halutz during the five-day period in July between the capture of two IDF reservists and the official decision to launch the campaign against Hizbullah. Maariv reported that five Kadima ministers -- Livni, Transportation Minister Shaul Mofaz, Construction and Housing Minister Meir Sheetrit, Internal Security Minister Avi Dichter, and Vice PM Shimon Peres will decide who will head Kadima should the Winograd Commission force Olmert to resign.

The Jerusalem Post cited Peace Now as saying that a military database released to the group under court pressure shows that very little private land was seized from Palestinians to build Ma'aleh Adumim, the largest settlement. In November, Peace Now had claimed that 86 percent of the West Bank town was built on private Palestinian land.

Ha'aretz, The Jerusalem Post, and Hatzofe reported that on Wednesday Israel, the PA, and Jordan agreed on a plan to build an agroindustrial park near Jericho, part of efforts backed by Japan to promote economic cooperation and development in the Middle East. Japanese FM Taro Aso was quoted as saying at the end of a two-day conference in Tokyo attended by senior Israeli, Palestinian and Jordanian officials that the parties agreed that Japan will dispatch a research team later this month to select possible sites for the park.

Maariv reported that Strategic Affairs Minister Avigdor Lieberman as saying on Wednesday that the European states are sacrificing Israel because of their economic ties with Iran.

Maariv reported that Knesset members will leave for Tunisia today to attend a Euro-Mediterranean Parliamentary Assembly meeting, in which parliamentarians from the PA, Syria, and Lebanon will also take part.

Ha'aretz reported that on Wednesday the Knesset decided to shelve a proposal for a parliamentary discussion of the Armenian genocide, in compliance with Olmert's request.

All media reported that a senior officer of Iran's Revolutionary Guards disappeared in Iraq a few weeks ago.

The Jerusalem Post reported that the Nefesh B'Nefesh organization, whose aim is to facilitate immigration of Jews to Israel, has expanded its group flights from the US, Canada, and Britain to include 50 to 100 pre-booked seats each month on regular El Al flights throughout the year.

Ha'aretz, Yediot, and The Jerusalem Post quoted the Anti-Defamation League report released on Wednesday according to which the number of anti-Semitic incidents in the US dropped in 2006 for the second year in a row. The Jerusalem Post reported that leaders of Reform Judaism from around the world will open a conference in Jerusalem on Thursday whose agenda includes a multimillion-dollar (over USD 100 million) expansion of activities in Israel and a demand that Olmert take steps to officially recognize the movement, its conversions, and its rabbis.

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1. PM Olmert's Performance:  
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Summary:  
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The independent, left-leaning Ha'aretz editorialized: "The war in Lebanon was a failure.... Will that same government now lead the country into a major military operation in Gaza, and continue its diplomatic passivity and ignorance of the Saudi initiative, the Syrian initiative and changes in the Palestinian government?"

#### Block Quotes:

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"It Doesn't Depend on Winograd"

The independent, left-leaning Ha'aretz editorialized (3/15): "The Winograd Commission is investigating the failure of the war in Lebanon, but its job is not to replace Israel's government. To replace a government, an opposition must coalesce and enough Knesset members must want elections. Meanwhile, no one is proposing a new agenda, and everyone seems to be comfortable in their padded chairs, with the wait for the Commission's recommendations just an excuse to do nothing. This reveals a certain amount of political infantilism.

The Commission's investigation of the truth and summary of lessons is indeed important, but the public already knows enough to draw conclusions about the individuals involved.... The bitter disappointment caused by the second Lebanon war should have shaken our very foundations, but the storm died down the moment the Winograd Commission was established, as if the country had time to waste while the Commission debated the lack of talented leaders. If not for public pressure, even Dan Halutz would not have gone home. Now, similar pressure should be created to replace the leadership. It is impossible to discuss the Iranian threat seriously while placing it in the hands of Amir Peretz and Avigdor Lieberman.... If the Commission decides not to make recommendations regarding individuals, but rather only to draw conclusions, as has been intimated, the public will have to do its part. The war in Lebanon was a failure. The prisoners are still captive. The home front took 200 rockets a day. Will that same government now lead the country into a major military operation in Gaza, and continue its diplomatic passivity and ignorance of the Saudi initiative, the Syrian initiative and changes in the Palestinian government?"

#### ----- 12. Mideast:

##### Summary:

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Palestinian politics expert Prof. Shaul Mishal wrote in the mass-circulation, pluralist Yediot Aharonot: "Today, the Palestinians prefer a diplomatic solution that will be achieved in the framework of a regional dialogue ... rather than a direct Israeli-Palestinian one."

#### Block Quotes:

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" Hamas's Regional Game "

Palestinian politics expert Prof. Shaul Mishal wrote in the mass-circulation, pluralist Yediot Aharonot (3/15): "Today, the Palestinians prefer a diplomatic solution that will be achieved in the framework of a regional dialogue, in which the Arab states and Israel will be partners, rather than a direct Israeli-Palestinian one. Palestinian strategy -- support for a regional diplomatic arrangement -- stems from the diplomatic and military developments that have occurred in the region since the US invasion of Iraq.... Most importantly -- the faster the Palestinians embrace the Saudi initiative, the more Israel's Syrian window of opportunity will close: There is no Israeli government on the horizon that can conduct negotiations involving painful withdrawals on two fronts at the same time. Within a short amount of time Israel will stand at a historic crossroads. It won't be able to stand at traffic lights without deciding to take the Palestinian or the Syrian course."

#### ----- 13. US-Israel Relations:

##### Summary:

The conservative, independent Jerusalem Post editorialized: "Jews and evangelicals will never agree on many issues, but the one on which they do agree is of overwhelming importance.... The Jewish people ... cannot afford, and arguably does not have the right, to simply dismiss a significant potential ally."

Block Quotes:

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"Christians For Israel"

The conservative, independent Jerusalem Post editorialized (3/15):  
"'The sleeping giant of Christian Zionism has awakened. There are 50 million Christians standing up and applauding the State of Israel.' So began a speech by Pastor John Hagee, founder of Christians United For Israel, before an AIPAC Policy Conference plenary earlier this week. His address may not have received as much media attention as those by Richard Cheney, Nancy Pelosi, Ehud Olmert and Binyamin Netanyahu. It should have, however, because it could herald a critical new stage in the American-Israeli relationship.... Jews and evangelicals will never agree on many issues, but the one on which they do agree is of overwhelming importance. It is natural, given history, that Jews are wary even of a hand outstretched in friendship, and caution is justified. The Jewish people, however, cannot afford, and arguably does not have the right, to simply dismiss a significant potential ally."

JONES